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SUBJECT: ETA CEASE FIRE: HOW IT HAPPENED

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11. The small group of advisers who have guided the Zapatero government's contacts with ETA remain tightlipped about their activities due to the extreme political sensitivity and domestic controversy surrounding the issue. Spanish officials have maintained this silence even as they discussed other aspects of the ETA announcement with us and praised the public USG reaction (REFS A and D). However, by tracking news reports and other open source information over the last two years regarding the activities of parties thought to be involved in the negotiations, post's political analyst has developed an outline of the key events that led to ETA's March 22 cease fire declaration. At the moment, this analysis provides the clearest picture we have as to how the cease fire came about:

//BASQUE SOCIALISTS PLAY KEY ROLE//

- 12. According to news reports, Jesus Eguiguren, the President of the Socialist Party of Euzkadi (PSE) (the Basque branch of the Socialist Party (PSOE)), sent a message to President Zapatero shortly after Zapatero's March, 2004 victory over the Popular Party (PP) advising Zapatero that he had had an open channel to ETA front group Batasuna since 2000. This was a sensitive issue, since the PSOE and PP leadership had agreed in 2000 to coordinate their counterterrorism policies and to keep each other informed of any terrorism-related initiatives undertaken by their parties. Further, the PSOE and PP had worked together to pass the Law of Political Parties in 2002, which was developed to strip Batasuna of its legal status because of its refusal to condemn terrorism, thus removing ETA from the political process and terminating Batasuna's access to public funds. Nonetheless, the Zapatero government reportedly instructed Eguiguren to continue discreet contacts with Batasuna. Zapatero did not advise the PP that such contacts were taking place.
- 13. These contacts were personal rather than institutional, reflecting the importance of friendships and family connections in the Basque Region's small but tempestuous political environment. PSE leader Jesus Eguiguren, joined by senior PSE figure Francisco Egea, met with Batasuna leaders Arnaldo Otegi and Pernando Barrena and with Rafael Diez Usabiaga, secretary general of the radical Basque labor union "LAB." Despite their political differences, Egea and Otegi were lifelong friends, having been raised near each other in the small town of Elgoibar in the Basque heartland of Guipuzcoa. From 2000 to 2004, contacts among these political figures were intermittent and informal.

- ¶4. Beginning in the fall of 2004, contacts among PSE and Batasuna leaders intensified and they began to meet regularly in the small village of Txillarre. Batasuna, which was barred from political activity under the Law of Political Parties, expressed interest in participating in the April, 2005 Basque Regional elections through the presentation of a list of candidates with no criminal records. Eguiguren evidently suggested this might be possible and inquired about the possibility of an ETA cease fire announcement.
- 15. While discussions on a cease fire did not progress, Batasuna was eventually able to field candidates through the obscure "Communist Party of the Basque Lands," (EHAK). The government declined to bar EHAK's participation in the April elections despite Civil Guard reports indicating that EHAK was the political heir to Batasuna. Both the PSE and EHAK scored major gains in the April vote, at the expense of the PP and the moderate Basque Nationalist Party (PNV).

//CONVERSATIONS EXPAND//

- 16. Following the Basque Regional elections, the Zapatero government evidently decided to broaden its discussions with Batasuna. On June 21, 2005, PSE leader Eguiguren and Spanish government intermediaries attended a meeting with Batasuna leader Otegi in the French town of Saint Jean de Pied de Port. Also present as facilitators were retired French Cardinal Roger Etxegaray and another French priest. The conversation on that date moved to specific issues, such as the treatment of ETA prisoners and considerations for victims of ETA terrorism.
- 17. When reports of this and other meetings appeared in the Spanish press, senior PSOE figures Jose Blanco and Alfredo Perez Rubalcaba denied that any conversations with ETA were underway. But Batasuna spokesman Joseba Permarch clarified that while there were no "official" contacts, personal

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contacts had taken place. There were also separate reports of another set of contacts between ETA representatives and members of the Spanish security services. Zapatero's Chief of Staff, Jose Enrique Serrano, was identified as the key figure overseeing these contacts (regarding which there is almost no additional information).

18. Meanwhile, additional contacts were taking place outside of the Basque Region. Spanish daily "El Pais" reports that meetings between unnamed Spanish government representatives took place during the summer and fall of 2005 in Oslo, Norway and in Geneva, Switzerland. It was during one of the meetings in Geneva that the ETA representatives indicated that the organization was prepared to declare a "permanent cease fire."

//CEASE FIRE PLAN COMES TOGETHER//

- 19. On November 16, 2005, PSE and Batasuna representatives reportedly held a critical meeting in Txillare to review details of a possible cease fire. Rumors began circulating almost immediately that an ETA truce was imminent, including reports that, under the terms of an informal agreement, Batasuna would be permitted to run in the 2007 Basque municipal elections under a different organizational name in exchange for agreement by ETA to accept delaying a controversial political agreement until after the 2008 general elections. As a gesture of goodwill, the government would relocate ETA prisoners to the Basque Region to allow them to be near their families. NOTE: In a March 26 interview with El Pais, President Zapatero indicated that he would accept both the political participation of a renamed Batasuna and the relocation of ETA prisoners to the Basque Region. END NOTE.
- 110. Also in November, there was another meeting in Oslo,

during which an ETA representative reconfirmed to a Spanish government intermediary ETA's readiness to declare a cease fire, though ETA did not indicate when a declaration would be issued. In early March, rumors of an impending cease fire began to pick up pace, with the sudden announcement on March 22 that ETA would release a statement that day.

//WHO ARE THE MEDIATORS?//

- 111. While it is clear that Batasuna and Basque Socialist representatives played leading roles, it is less certain who the other facilitators may have been. Three names routinely put forward by observers are:
- Retired French Cardinal Roger Etxegaray, who had experience as a mediator in Kosovo, Timor, the Middle East, Chiapas, and Iraq. Etxegaray is close to Bishop Uriarte of San Sebastian, who is himself related to a noted ETA lawyer.
- Basque priest Joseba Segura. Segura is a close associate of Bishop Uriarte and reportedly has a close relationship with radical Basque labor leader Rafael Usabiaga.
- Irish priests Alec Reid and Harold Good. Alec Reid, who has traveled to the Basque Region, is reportedly held in high regard by radical Basque nationalists for his role in the Northern Ireland peace process. Sinn Fein figures Gerry Kelly and Alex Maskey, who say they have participated in the ETA peace process, credit Alec Reid as having provided "spiritual guidance" during ETA discussions.

NOTE: While Basque nationalists have a historically close relationship to the Basque Catholic Church, the Spanish Catholic Church is divided on the issue. Bishop Blazquez of Bilbao (currently President of the Spanish Episcopal Conference) praised the cease fire declaration, while the Secretary General of the Episcopal Conference called the ETA

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statement "insufficient." This split reflects a broader divergence between Spanish Catholics loyal to Madrid's central authority and Basque Catholics, who have generally supported Basque nationalist sentiment. END NOTE.

//COMMENT//

112. As noted above, the actual participants in the ETA-government discussions have not discussed their roles, and it is unlikely that they will do so in the near future. The facts are further obscured by a proliferation of reports indicating high-level participation in the peace talks, including reports of participation by Prime Minister Tony Blair, former President Clinton, and others. It appears more likely that there were several sets of discussions underway at the same time, all of which contributed to building good will between the parties. The difficult negotiations have yet to come, as ETA comes to terms with a non-military resolution to the conflict and the Spanish government and

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political parties debate how far to go in accomodating radical Basque nationalist interests.

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